GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4440
ANSWERED ON:12.08.2016
Credit from Cooperative Sector
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has schemes to support and promote the cooperative sector;

(b) if so, the details thereof;

(c) whether several cooperative institutions are struggling due to financial crisis and if so, the details thereof;

(d) whether the Government is planning to develop a package to revive such struggling cooperative institutions; and

(e) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance

(a) to (e): As reported by National Bank for Agriculture & Rural Development (NABARD), out of 33 State Cooperative Banks (StCBs) in the country, 7 StCBs carried accumulated loss as on 31st March, 2016. Further, out of 371 District Central Cooperative Banks (DCCBs) in the country, 111 DCCBs carried accumulated losses as on 31st March, 2016.

As regards Urban Cooperative Banks (UCBs), Reserve Bank of India (RBI) has reported that out of total 1574 UCBs, 72 UCBs incurred losses as on 31 March, 2016.

The steps taken for revival of rural cooperative banks are as under:

i. Based on the recommendation of Vaidyanathan Committee (VC-I), Government implemented a revival package for Short Term Cooperative Credit Structure (STCCS) encompassing legal and institutional reforms, measures to improve the quality of management and financial assistance as necessary for their democratic, self-reliant and efficient functioning. Under the revival package, Government of India released Rs. 9,245 crore. The said package was closed on 30th June, 2011.

ii. Recognizing the need to revamp ailing Cooperative Banks so that they are able to cater to the needs of farmers at their doorstep, the Government in 2014 announced implementation of the Scheme for Revival of 23 Unlicensed District Central Cooperative Banks (DCCBs) in four States viz. 16 in Uttar Pradesh, 3 in Jammu & Kashmir, 3 in Maharashtra and 1 in West Bengal. The total capital infusion required for revival of these 23 DCCBs was assessed to the tune of Rs. 2375.42 crore, out of which the commitment from Central Government would be for Rs. 673.29 crore, for State Governments, Rs.1464.59 crore and for National Bank for Agriculture & Rural Development (NABARD) it would be Rs.237.54 crore. The entire share of Central Government under the Scheme has been released to NABARD for onward transmission to Cooperative Banks according to the terms and conditions prescribed in the Memorandum of Understanding governing the Scheme.